

Message Text

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17

ACTION NEA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 IO-14 DRC-01

/167 W

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R 080620Z JAN 74

FM AMCONSUL KHORRAMSHAHR

TO SECSTATE WASHDC 137

INFO AMEMBASSY TEHRAN

AMCONSUL TABRIZ

C O N F I D E N T I A L KHORRAMSHAHR 004

E.O. 11652: N/A

TAGS: PINS, ELAB, IR

SUBJ: ABADAN REFINERY AFTER THE STRIKE

REF: TEHRAN 6900 (9/27/73) AND PREVIOUS

SUMMARY. AFTERMATH OF ABADAN REFINERY STRIKE (9/73) HAS BEEN PEACEFUL WITH NO FURTHER LABOR DISTURBANCES AND APPARENT WORKER SATISFACTION REGARDING RATION INCREASE AND SUBSEQUENT PAY RAISE. FEW STRIKE-CONNECTED ARRESTS HAVE BEEN MADE EITHER OUTSIDE OR INSIDE REFINERY AND PROGNOSIS IS GOOD FOR CONTINUED CALM AT LEAST IN NEAR FUTURE. HOWEVER, IF PRESENT RATE OF INFLATION CONTINUES OVER NEXT YEAR, GOVERNMENT MAY BE OBLIGED TO GRANT FURTHER INCREASES OR FACE SIMILAR DISCONTENT. END SUMMARY.

1. NONVIOLENT CONCLUSION OF ABADAN REFINERY STRIKE LARGELY RESULT OF REFINERY MANAGEMENT'S SUCCESS IN RESTRAINING SAVAK MILITARY FROM INTERVENTION WHILE CONVINCING EMPLOYEES BEST CHANCE FOR IMPROVEMENT OF CONDITIONS LAY IN PEACEFUL RETURN TO WORK.

10-15 PCT RATION INCREASE WAS ACCEPTED BY WORKERS AND THE RECENTLY
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ANNOUNCED 10 PCT WAGE HIKE TO OFFSET INFLATION HAS INSURED

TEMPORARY CALM.

2. HARDLY ANY ARRESTS OR DISMISSALS HAVE TAKEN PLACE NOR HAVE ANY LABOR SYNDICATE LEADERS BEEN REMOVED. NO VISIBLE ATTEMPT HAS BEEN MADE TO PENALIZE WORKERS INVOLVED IN THE STRIKE.

3. ALTHOUGH SOME OFFICIALS STILL MAINTAIN QUOTE OUTSIDE AGITORS UNQUOTE WERE RESPONSIBLE FOR STRIKE, MAJOR CAUSE WAS INFLATION AND RISING PRICES. BOTH MANAGEMENT AND WORKERS EXERCISED RESTRAINT IN STRIKE AND BOTH SEEM CONTENT WITH PRESENT SETTLEMENT, BUT INFLATION IS STILL INCREASING AT RATE OF APPROXIMATELY 15 PCT PER YEAR. EMPLOYEE CONTRACTS WILL NOT BE NEGOTIATED FOR 15 MORE MONTHS AND THEY CONTAIN NO ESCALATION CLAUSE FOR COST OF LIVING INCREASES. IF INFLATION CONTINUES AT THE PRESENT RATE, NIOC MAY BE COMPELLED TO CHOOSE BETWEEN ANOTHER PAY HIKE BEFORE CONTRACT NEGOTIATIONS, WHICH THEY HAVE STATED THEY WILL NOT DO, OR RISK

THE POSSIBILITY OF ANOTHER STRIKE.
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Message Attributes

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